

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF BEREA)	
COLLEGE ELECTRIC UTILITY, A)	CASE NO. 8887
DEPARTMENT OF BEREA COLLEGE)	

O R D E R

On September 13, 1983, Berea College Electric Utility ("Berea Electric") filed its application to flow through an increase in rates granted to its wholesale power supplier Kentucky Utilities Company ("Kentucky Utilities") by the Federal Energy Regulatory Commission ("FERC"). The Kentucky Utilities wholesale rate increase was requested from FERC in two phases, labeled Phase I and Phase II. FERC has permitted the Kentucky Utilities Phase I wholesale rate increase to become effective on October 2, 1983, with Phase II rates suspended for 5 months. By Order dated October 14, 1983, the Commission permitted Berea Electric to increase its tariffs to allow for recovery of increased wholesale power cost of \$250,326 with these rates being subject to refund to Berea Electric's customers upon the entry of the final FERC decision.

On April 20, 1984, Berea Electric filed notice of the FERC decision on Phase II rates that became effective March 2, 1984. Phase II rates granted Kentucky Utilities were less than Phase I rates. Berea Electric would experience a decrease in power costs

of approximately \$157,319 under Phase II which would result in an overall decrease to the customers of Berea Electric of approximately 5 percent. Berea Electric has proposed to allocate this decrease in wholesale cost to its customers with an energy adder charge. Berea Electric also informed the Commission that they anticipated a refund from Kentucky Utilities for previous overcharges.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. The decrease that FERC has granted Kentucky Utilities to put into effect on March 2, 1984, will result in a decrease of power cost to Berea Electric of \$157,319.

2. The energy adder charge is an equitable method to use in allocating the decrease in power cost to Berea Electric's customers.

3. The rates and charges in Appendix A are designed to reflect only the decreased wholesale power cost approved by FERC for Kentucky Utilities.

4. The flow-through of the power cost decrease will not result in any additional net margin to Berea Electric.

5. Berea Electric requested that rates and charges reflecting Kentucky Utilities' wholesale rate decrease be approved for service rendered on and after March 2, 1984. Phase II of this decrease was approved by FERC for service rendered on and after March 2, 1984. The Commission is therefore of the opinion that Berea Electric's rates and charges should reflect the same time period.

IT IS THEREFORE ORDERED that Berea Electric be and it hereby is authorized to flow through the decreased power costs resulting from the decrease granted its wholesale power supplier, Kentucky Utilities.

IT IS FURTHER ORDERED that the rates and charges proposed by Berea Electric in Appendix A be and they hereby are approved for service rendered by Berea Electric on and after March 2, 1984.

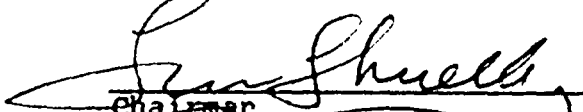
IT IS FURTHER ORDERED that Berea Electric shall maintain its records in such a manner that the refund anticipated to be received from Kentucky Utilities for previous overcharges be refunded to the customers of Berea Electric as quickly as possible.

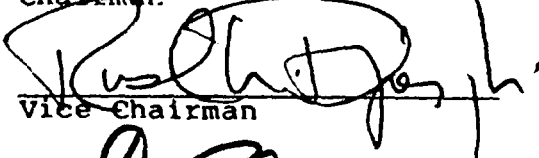
IT IS FURTHER ORDERED that Berea Electric shall file with the Commission their proposed refund plan within 30 days of the anticipated refund.


IT IS FURTHER ORDERED that Berea Electric shall file within 30 days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

Done at Frankfort, Kentucky, this 11th day of May, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8887 DATED MAY 11, 1984

The following rates and charges are prescribed for the customers in the area served by Berea College Electric Utility. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

<u>RESIDENCE SERVICE - CLASS 1</u>			<u>RATE</u> <u>PER UNIT</u>
<u>Rates:</u>	First	200 KWH per month	5.170¢/KWH
	Next	300 KWH per month	4.970¢/KWH
	All Over	500 KWH per month	4.180¢/KWH

Service Charge: \$2.50 per meter per month

<u>COMMERCIAL LIGHTING AND POWER SERVICE - CLASS 2</u>			<u>RATE</u> <u>PER UNIT</u>
<u>Demand Rates:</u>	For service of each KW demand		\$1.50/KW
<u>Energy Rates:</u>	First	500 KWH per month	5.650¢/KWH
	Next	3,500 KWH per month	5.090¢/KWH
	All Over	4,000 KWH per month	4.590¢/KWH

Service Charge: \$5.00 per meter per month

<u>INDUSTRIAL USERS AND LARGE COMMERCIAL USERS-CLASS 3</u>			<u>RATE</u> <u>PER UNIT</u>
<u>Demand Rates:</u>	For service for each KW of demand per month		\$5.00/KW
<u>Energy Rates:</u>	All KWH		3.547¢/KWH
<u>Minimum charge:</u>	Per Month \$886.75		

RURAL - RESIDENCE SERVICE - CLASS 4

RATE
PER UNIT

<u>Rates:</u>	First	200 KWH per month	\$5.170¢/KWH
	Next	300 KWH per month	4.970¢/KWH
	All Over	500 KWH per month	4.180¢/KWH

Service Charge: \$2.50 per meter per month

FARM - RESIDENCE SERVICE - CLASS 5

RATE
PER UNIT

<u>Rates:</u>	First	200 KWH per month	5.170¢/KWH
	Next	300 KWH per month	4.970¢/KWH
	All Over	500 KWH per month	4.180¢/KWH

Service Charge: \$2.50 per meter per month

INDUSTRIAL USERS AND LARGE COMMERCIAL USERS-CLASS 6

RATE
PER UNIT

Demand Rates: For service for each KW demand \$4.75

Energy Rates: For 25,000 KWH and over 3.371¢/KWH

Minimum Charge: Per Month \$842.75

AREA LIGHTING SERVICE - CLASS 7

RATE
PER UNIT

Type of Service: One hundred seventy-five (175)
Watt Mercury Vapor Lunimairs

Rates: Per light, per month \$6.38

AREA LIGHTING SERVICE - CLASS 8

RATE
PER UNIT

Rates Per month:

Street Lighting 400 Watt M.V. \$8.86

Street Lighting 175 Watt M.V. (This rate applies
where lights are installed on existing poles) \$5.38

Street Lighting 175 Watt M.V. (This rate applies
when the installation of the light requires
setting a new pole) \$6.38

(The initials M.V. stand for Mercury Vapor light)